

ORIGINAL



0000134156

COMMISSIONERS
GARY PIERCE - Chairman
BOB S. ...
PAUL NEWMAN
SANDRA D. KENNEDY
BRENDA BURNS

RECEIVED

ERNEST G. JOHNSON
Executive Director

2012 FEB - 8 A ARIZONA CORPORATION COMMISSION

AZ CORP COMMISSION
DOCKET CONTROL

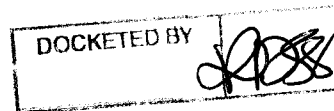
February 8, 2012

Arizona Corporation Commission
DOCKETED

FEB - 8 2012

CERTIFIED MAIL

Pamela Walsma
Shadle and Walsma, PLC
833 E. Plaza Circle, Suite 200
Yuma, AZ 85365-2017
Prescott, AZ 86302



RE: W.M. Wootton/Desert Valencia Water System- Application for a Transfer of its Certificate of Convenience and Necessity ("CC&N") to Desert Valencia Water Company, Inc. - Docket No. W-02059A-11-0172 & W-20801A-11-0172

STAFF DATA REQUEST

Dear Ms. Walsma:

As you are aware, the Arizona Corporation Commission Staff ("Staff") is in the process of analyzing your request for the Transfer of its Certificate of Convenience and Necessity ("CC&N") to provide water service. In reviewing the application and your responses to the Insufficiency Letter issued on June 10, 2011, Staff has determined that the following additional information is needed to appropriately process the application:

FINANCIAL

CSB 1-1 Financial Capability - Please discuss whether or not Desert Valencia Water, Inc. would have the financial capability to continue to provide the requested service. As part of your response, please discuss assets, liabilities, financial reputation, and the access to capital markets of the person(s) who will be providing the financial resources.

CSB 1-2 Judgments/Liens - Please identify any and all judgments and/or liens against assets for which Desert Valencia Water, Inc. or its affiliates will use as evidence of financial capability in this proceeding.

Pamela Walsma
Page 2
February 6, 2012

CSB 1-3 Significant Financial Developments - Please provide a narrative description of any significant pending, planned, or probable financial developments that would materially impact Desert Valencia Water, Inc.'s financial ability to provide the requested service.

CSB 1-4 Financial Statements - Please provide the latest audited financial statements for Desert Valencia Water, Inc.'s. If audited financial statements do not exist, please provide the latest unaudited financial statements (i.e. income statement and balance sheet).

CSB 1-5 Estimated Cost to Install Meters - Please provide an estimate of the cost to install meters for all of your customers.

GENERAL

VLW 1-1 The Company has stated that it supplies only non potable water and that all customers are advised, and understand, that the water is non potable; and they are required to buy drinking water from a certified vender. With that in mind, please clarify how the water is used by the renters of the houses, barns, mobile homes, and occasionally the manufacturing facility?

VLW 1-2 The Arizona Administrative Code ("A.A.C") governing certified public water utilities under R14-2-407(A) regarding provision of service states that "Each utility shall be responsible for providing potable water to the customer's point of delivery." How does the Company plan to comply with this rule?

Please give this matter your prompt attention. If you have any questions regarding the financial information requested, you can contact Crystal Brown at 602-542-0864 or you can contact me regarding the general information at 602-542-0818.

Sincerely,



Vicki Wallace
Executive Consultant

Cc: Docket Control
Crystal Brown
Del Smith